

# Quality of place projects

Community-identified economic development initiatives that contribute to the promotion of tourism & quality of place

- One-time capital expenditures
- Ongoing operating costs

### Capital expenses one time costs

Project	Estimate
Convention center parking lot acquisition & construction (Flowers Bakery)	\$1,600,000
Parks projects @ Ben Geren Park aquatics center 2 girls' softball fields	\$2,500,000 note 750,000
Other parks projects trails Creekmore pool dome Fort Smith Park — fishing tournament facilities Riverfront soccer fields River park promenade	\$3,300,000 1,000,000 400,000 500,000 1,500,000
SUB-TOTAL	\$11,550,000

 $Note: This figure \ is \ 50\% \ of \ estimated \ project \ cost. \ \ Sebastian \ County \ would \ be \ responsible for \ another \ \$2.5 \ million$ 

# Ongoing costs

Organization	Annual operational need		
Convention center operations	\$1,100,000		
Marshals museum operations	\$ 250,000		
Historic district	\$ 150,000		
Aquatics center operations	\$ 100,000 city's share		
Riverfront sports venue bond payment	\$1,700,000 note		
Promoting & encouraging tourism & conventions	\$ 250,000		
SUB-TOTAL	\$3,550,000		

Note: Riverfront sports venue bond payment calculated @ \$20 million & 20 year term for 5% interest Bond issuance requires election

# Riverfront park promenade

Project	Estimate
Fort Smith Railroad relocation	\$ TBD
Streetscaping between historic district and riverfront/Garrison Ave.	\$ TBD
Relocation of special needs services	\$ TBD
Development of promenade park on current railroad site	\$ TBD
TOTAL	\$1,500,000

# Levy of restaurant tax Arkansas Code 26-75-601 et. Seg.

Restaurant tax may be levied:

- $\bullet$   $Up\ to\ 3\%$  by the board of directors
- Referendum is not required by law

 $Election\ is\ required\ for\ bonds\ that\ are\ repaid\ with\ restaurant\ tax\ revenue$ 

#### Allowed uses include...

Arkansas Code 26-75-601 et. Seq.

- · Advertising & promotion of the city
- Convention center
- Operation of tourist promotion facilities
- Bond payments election required
- Theme parks or other family entertainment facilities
- Public recreation facilities
- Promoting & encouraging tourism and conventions

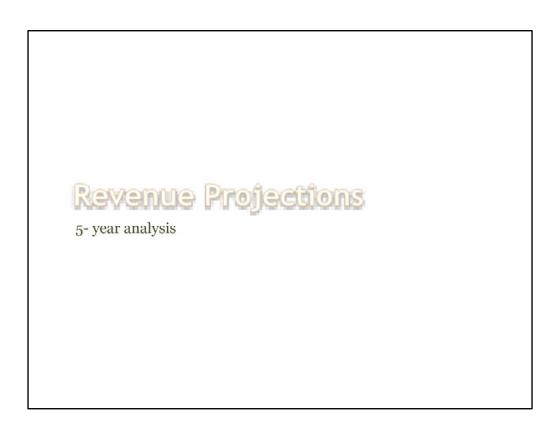
# Disposition of revenues Arkansas Code 26-75-601 et. Seq.

- Revenues collected by & deposited with A&P Commission
- Expenditure controlled by A&P Commission

# Disposition of revenues Arkansas Code 26-75-601 et. Seq.

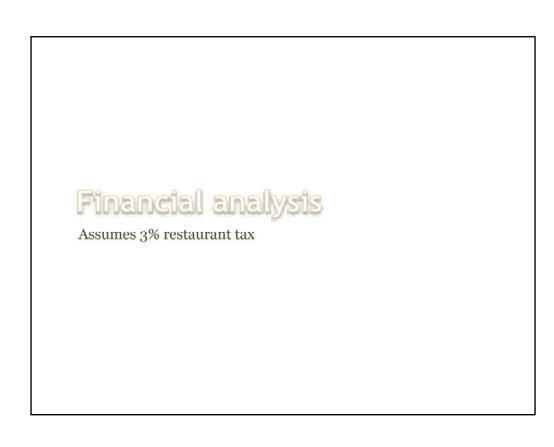
 To assure funds are spent as desired, city may enter into agreement with A&P Commission in advance of the enactment of the tax to contract for expenditure of funds

Board of directors has the power to rescind ordinance levying the restaurant tax if predetermined spending plan is not followed.



# Revenue projections assumes 1% annual growth

Tax rate	1 year of revenue	3 years of revenue	5 years of revenue \$9,182,000 \$18,364,000	
1%	\$1,800,000	\$5,454,000		
2%	\$3,600,000	\$10,908,000		
3%	\$5,400,000	\$16,362,000	\$27,546,000	



# Annual expenditures assumes 3% restaurant tax

	2010	2011	2012	2013	2014
Ongoing expenditures	\$3,550,000	\$3,550,000	\$3,550,000	\$3,550,000	\$3,550,000
One time capital expenditures	\$1,850,000	\$1,904,000	\$1,958,000	\$2,015,000	\$2,069,000
TOTAL	\$5,400,000	\$5,454,000	\$5,508,000	\$5,565,000	\$5,619,000

# "Feeding our future"

Convention center Tourism Quality of place

#### 3 restaurant tax options

- 1. Adopt 3¢ by board approval
- 2. Adopt 3¢ package by referendum
- 3. Adopt by any combination of the two

#### FOR EXAMPLE:

- a) Board approves 1st ¢ for convention center
- b) Voters approve 2<sup>nd</sup> and 3<sup>rd</sup> ¢ for projects

Note: Riverfront stadium project must appear on a ballot